

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-716

September 19, 2000

MONHEGAN PLANTATION POWER DISTRICT
Application for Approval to Issue Debt
(\$902) (\$60,000)

ORDER APPROVING
ISSUANCE OF DEBT

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

On August 23, 2000, Monhegan Plantation Power District (MPP or the District) filed with the Commission its application for authority to issue its unsecured notes in the amount of \$60,000 with a fixed interest rate of 3.0% and a maturity date of September 30, 2001. The District has negotiated these terms with eight individual investors and, with the exception of the individual dollar amount stated on each note, the terms of the notes are identical. This Order approves MPP's request.

II. BACKGROUND & DISCUSSION

Following the formation of the District and its authorization to provide service, MPP filed a business plan with the Commission in Docket No. 99-024 detailing its expected future construction program. The District has obtained this loan commitment in order to acquire equipment and other facilities in connection with its construction program and has negotiated with eight individual investors named in its petition. The District stated that the equipment and facilities are primarily related to the distribution system, although some of the expenditures may be generation-related. We find the terms of the notes, especially the 3.0% fixed interest rate to be quite favorable for the District, considering that the current 1-Year Treasury Note has a current yield in the area of 6.20%.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bonds are required in good faith for the purposes enumerated in 35-A M.R.S.A. §901. In approving this securities issue, consistent with normal practice and pursuant to section 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That Monhegan Plantation Power District is hereby authorized to issue its unsecured notes in an amount not to exceed \$60,000, at a fixed rate of interest not to exceed 3.0% with a maturity date of September 30, 2001 with the private investors named in its petition. The proceeds are to be used solely for the purposes described in this Order;

2. That the District report to the Commission, in writing, its doings pursuant to this order within thirty (30) days of the date of the closing of this transaction; and

3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 19th day of September, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.